



NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

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CALIFORNIA TREASURER ANGELIDES PRAISES NEW SEC RULES TO STRENGTHEN INDEPENDENCE OF MUTUAL FUND BOARDS

SACRAMENTO, CA – California Treasurer Phil Angelides had the following comments today in response to the U.S. Securities and Exchange Commission's decision to require mutual fund boards to make several changes to ensure their independence from the companies managing the funds. The SEC's new requirements are consistent with the Mutual Fund Protection Principles that the Treasurer proposed in January.

Among other things, the SEC voted today to require the chairman and at least 75 percent of a mutual fund's board to be independent from the companies managing the funds. In addition, the SEC also will require independent directors to have separate meetings, without management present, and will require mutual funds to authorize independent directors to hire their own staff:

"I applaud Chairman Donaldson and the two commissioners who voted with him – and with our nation's investors – for taking an important step to restore integrity to mutual funds and to protect the life savings of America's families.

"The independence of mutual fund boards, especially the chairman and the majority of directors, is a key facet of the Mutual Fund Protection Principles that I proposed in January, along with New York State Comptroller Alan Hevesi, New York State Attorney General Eliot Spitzer and North Carolina Treasurer Richard Moore. While these rules will not take effect for 18 months, the message of reform it sends today is loud and clear."

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